

SMALL BUSINESS LOAN FUND CORPORATION

MINUTES OF THE BOARD OF DIRECTORS

OCTOBER 30, 2009

A monthly meeting of the Board of Directors (the "Board") of the Small Business Loan Fund Corporation (the "Corporation") was held in public session at the offices of the Rhode Island Economic Development Corporation, 315 Iron Horse Way, Suite 101, Providence, Rhode Island on October 30, 2009 at approximately 9:00 a.m., pursuant to notice of the meeting to all Directors, and public notice of the meeting as required by the By-Laws of the Corporation and by Rhode Island General Law 42-46-6.

The following Directors were present and participated throughout the meeting: Mr. Raymond Fogarty (Chair), Mr. William Parsons, Mr. Thomas Stocker, Mr. Richard DeMerchant and Ms. Leslie Taito.

The following Director(s) were absent: None.

Also present were: Sean W. Esten, Corporation Administrator; Anthony J. Scolavino, Special Consultant; Thomas V. Moses, Legal Counsel; Carol J. Anguilla, Moses & Afonso, Ltd; Susan Morgan, Director of Accounting for Rhode Island Economic Development Corporation and Robert Bromley, Legislative Fiscal Analyst.

Mr. Fogarty presided over the meeting.

1. Call to Order

Mr. Fogarty called the meeting to order at 9:02 a.m. Mr. Fogarty welcomed Ms. Leslie Taito to the Corporation's Board of Directors. Ms. Taito introduced herself to the Board and gave a brief background on her experience. Ms. Taito is the chief executive officer of Rhode Island Manufacturing Extension Services ("RIMES") which is a federally funded non-profit organization providing manufacturing solutions to Rhode Island's small and medium sized manufacturers. Ms. Taito noted that RIMES is in its 15th year of operation.

2. Approval of the Minutes of the Meeting Held on September 24, 2009

The first item to come before the Board was approval of the Public Session Minutes and the Executive Session Minutes of the Board meeting held on September 24, 2009. Upon motion duly made by Mr. Parsons and seconded by Mr. Stocker, the motion to approve the Public Session Minutes and the Executive Session Minutes of the meeting held on September 24, 2009 was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Fogarty, Mr. Parsons, Mr. Stocker and Mr. DeMerchant.

The following Directors voted against the foregoing: None.

The following Directors abstained from the foregoing: Ms. Taito

3. Maintain the Executive Minutes of September 24, 2009 Confidential

The next item to come before the Board was a vote to maintain the confidentiality of the Executive Session Minutes of the Board meeting held on September 24, 2009. Upon motion duly made by Mr. Parsons and seconded by Mr. Stocker, the motion to maintain the confidentiality of the Executive Session Minutes of the Board meeting held on September 24, 2009 was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Fogarty, Mr. Parsons, Mr. Stocker and Mr. DeMerchant.

The following Directors voted against the foregoing: None.

The following Directors abstained from the foregoing: Ms. Taito.

Mr. Fogarty announced that the Board would move into Executive Session immediately, and then the Board would discuss agenda items #3 and #4 when the Board returned to Public Session.

4. Executive Session

Upon motion duly made by Mr. Parsons and seconded by Mr. Stocker, the motion to move the meeting into executive session pursuant to Rhode Island Open Meetings Law 42-46-5(a)(6) of the General Laws of the State of Rhode Island, as amended, was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Fogarty, Mr. Parsons, Mr. Stocker, Mr. DeMerchant and Ms. Taito.

The following Directors voted against the foregoing: None.

Public session concluded, Mr. Bromley and Ms. Morgan left the meeting room and executive session began at 9:05 a.m.

5. Return to Public Session

Upon a motion duly made by Mr. Stocker and seconded by Mr. Parsons, the motion to conclude executive session and return to public session was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Fogarty, Mr. Parsons, Mr. Stocker, Mr. DeMerchant and Ms. Taito.

The following Directors voted against the foregoing: None.

Executive session concluded, Mr. Bromley and Ms. Morgan returned to the meeting room and public session began at 9:35 a.m.

6. Executive Session Vote Ratification

Mr. Fogarty called for ratification of the votes adopted during executive session. Upon motion duly made by Mr. DeMerchant seconded by Mr. Parsons, the following votes were ratified:

To approve the application of Pilgrim Screw Corporation for a term loan in the principal amount of \$250,000.00.

The following Directors voted in favor of the foregoing: Mr. Fogarty, Mr. Parsons, Mr. Stocker and Mr. DeMerchant.

The following Directors voted against the foregoing: None.

The following Directors abstained from the foregoing: Ms. Taito.

7. Report of Cash Position as of September 30, 2009

Mr. Scolavino presented the report of Cash Position as of September 30, 2009.

8. Report of Portfolio Activity, Delinquency Loans and Loan Forbearances as of September 30, 2009

Mr. Scolavino presented the report of Portfolio Activity, Loan Delinquency Report and Loan Forbearance Report as of September 30, 2009. Mr. Scolavino briefly explained that the term loan for Goetz Custom Technologies, LLC ("Goetz") which was approved by the Board at the August 28, 2009 meeting will not close. If there is a request at some point in time to revive Goetz's application for a term loan with the Corporation, Corporation Staff will return to the Board with a new application for Board approval.

9. Other Business

Mr. Esten requested that he present one additional item for the Board's consideration and approval. Mr. Esten distributed to the Board copies of the Corporation's Public Notice with respect to the regular meeting schedule of the Corporation for the 2010 calendar year. There being no discussion, Mr. Fogarty called for a motion to approve the proposed regular meeting schedule for the 2010 calendar year. Upon motion duly made by Mr. DeMerchant and seconded by Mr. Parsons, the motion to accept and approve the regular meeting schedule for the 2010 calendar year was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Fogarty, Mr. Parsons, Mr. Stocker, Mr. DeMerchant and Ms. Taito.

The following Directors voted against the foregoing: None.

Corporation staff confirmed that there were no other matters to be discussed during this portion of the public meeting.

There being no further business to come before the Board, upon motion duly made by Mr. Parsons and seconded by Mr. Stocker the meeting was adjourned at 9:40 a.m.

Respectfully submitted,

Sean W. Esten
Administrator

G:\DATA\WPDATA\SBLFC\ADMINISTRATION\October 2009\SBLFC Public Minutes (October 2009).3.doc